

Endowment Reimbursement Bill House File 2075

Last Action:

House Floor

January 29, 2002

An Act relating to the repayment of moneys appropriated from the Endowment for Iowa's Health Account of the Tobacco Settlement Trust Fund for purposes of the Student Achievement and Teacher Quality Program.



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LEGISLATIVE FISCAL BUREAU NOTES ON BILLS AND AMENDMENTS (NOBA)

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**EXECUTIVE SUMMARY
NOTES ON BILLS AND AMENDMENTS**

**HOUSE FILE 2075
ENDOWMENT REIMBURSEMENT BILL**

**ALLOCATION TO THE ENDOWMENT
FOR IOWA'S HEALTH ACCOUNT**

- Beginning in FY 2003, this Bill requires any funds that are in excess of the amount required to maximize the balance of the Economic Emergency Fund be transferred annually to the Endowment for Iowa's Health Account until the total amount transferred reaches \$40.0 million.
- DETAIL: The General Assembly appropriated \$40.0 million from the Endowment to fund the Teacher Quality Act in FY 2002. Senate File 531 (FY 2002 Administration and Regulation Appropriations Act) contained language that provided for the repayment of the \$40.0 million from excess revenues in the Economic Emergency Fund at the end of FY 2001 and FY 2002. However, due to budget shortfalls, the funds will not be repaid by the end of FY 2002.

House File 2075

House File 2075 provides for the following changes to the Code of Iowa.

Page #	Line #	Bill Section	Action	Code Section	Description
1	9	Section 1	Adds	8.55(2)(b)	Allocation to Endowment for Iowa's Health Account

1 1 Section 1. Section 8.55, subsection 2, Code Supplement
1 2 2001, is amended to read as follows:
1 3 2. a. The maximum balance of the fund is the amount equal
1 4 to five percent of the adjusted revenue estimate for the
1 5 fiscal year. If the amount of moneys in the Iowa economic
1 6 emergency fund is equal to the maximum balance, moneys in
1 7 excess of this amount shall be transferred to the general
1 8 fund.

1 9 b. Notwithstanding paragraph "a", any moneys in excess of
1 10 the maximum balance in the economic emergency fund after the
1 11 distribution of the surplus in the general fund of the state
1 12 at the conclusion of the fiscal year beginning July 1, 2002,
1 13 and subsequent fiscal years, shall not be transferred to the
1 14 general fund of the state but shall be transferred to the
1 15 endowment for Iowa's health account of the tobacco settlement
1 16 trust fund. The amount transferred under this paragraph shall
1 17 not exceed the difference between forty million dollars and
1 18 the total amount transferred to the endowment for Iowa's
1 19 health account pursuant to 2001 Iowa Acts, chapter 177,
1 20 section 2, as amended by 2001 Iowa Acts, chapter 187, section
1 21 28, and previous fiscal years.

CODE: Beginning in FY 2003, this Bill requires any funds that are in excess of the amount required to maximize the balance of the Economic Emergency Fund be transferred annually to the Endowment for Iowa's Health Account until such time as the total amount transferred reaches \$40,000,000.

DETAIL: The General Assembly appropriated \$40,000,000 from the Endowment to fund the Teacher Quality Act in FY 2002. Senate File 531 (FY 2002 Administration and Regulation Appropriations Act) contained language that provided for the repayment of the \$40,000,000 from excess revenues in the Economic Emergency Fund at the end of FY 2001 and FY 2002. However, due to budget shortfalls, the funds will not be repaid by the end of FY 2002.

1 22 EXPLANATION
1 23 An appropriation of \$40 million was made by the 2001
1 24 Regular Session of the Seventy-ninth General Assembly from the
1 25 endowment for Iowa's health account of the tobacco settlement
1 26 trust fund for purposes of the student achievement and teacher
1 27 quality program. The moneys were to be repaid pursuant to
1 28 2001 legislation to that account from surplus moneys from the
1 29 state general fund that were not needed to fill up the
1 30 economic emergency fund. This repayment applied to fiscal
1 31 years beginning July 1, 2000, and July 1, 2001. Since the \$40
1 32 million has not been repaid and will likely not be repaid at
1 33 the end of the 2001-2002 fiscal year, this bill extends
1 34 indefinitely the time period for repayment but makes no

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Explanation

1 35 changes in the repayment sources.

2 1 LSB 5289HV 79

2 2 mg/sh/8